

Canadian Home Sales — June

SUMMARY

Sales activity edged down 0.2% (sa m/m) in June 2019 according to data released today by the Canadian Real Estate Association (CREA). The modest fall followed three consecutive sa m/m increases over 2%, and, combined with a 0.8% sa m/m rise in new listings, brought the sales-to-new listings ratio to 57.1%—still well within balanced market territory. 20 of the 31 centres for which we have data reported roughly balanced supply-demand conditions, and the aggregate MLS Home Price Index (HPI) fell 0.3% versus June 2018.

Neither Toronto (+0.2% sa m/m) nor Vancouver (-5.5% sa m/m) had a strong month following robust sales gains in May. New listings climbed in both cities, which resulted in Vancouver's 10th consecutive month in buyers' market territory. The softness in Vancouver looks to have translated into a decline of nearly 10% (nsa y/y) in the MLS HPI, while Toronto's HPI accelerated to 3.6% nsa y/y, its best monthly increase since January of last year. Sales activity was solid in nearby centres—purchases declined in Hamilton-Burlington, Guelph, and Victoria, all after healthy increases in each of the preceding three months.

With a 2.7% (sa m/m) increase, Montreal reclaimed the mantle of Canada's tightest housing market. The sales-to-new listings ratio of 75.4% was the third-highest ever recorded in the city, and the 6.7% (nsa y/y) MLS HPI climb was the steepest since 2011. London, Windsor, Ottawa, Saint John and Moncton remained tilted towards sellers, with sales volatility continuing in the latter municipality. Sales fell back across cities in the net oil-producing provinces, with St. John's standing out for a plunge of more than 23% (sa m/m).

Price movements in Southern BC continued to drive declines in the aggregate HPI, with weakness present across unit types but heightened for higher-priced single-family homes. That stands in contrast to cities in Saskatchewan and Alberta, where price decreases have been more concentrated in apartments and townhomes. Those lower-cost dwelling categories have driven much of the recent strength in Montreal, Ottawa, and Moncton, while price indices are trending generally higher for all unit types in Ontario's Greater Golden Horseshoe.

IMPLICATIONS

The national-level fallback in sales was not wholly unexpected following multiple months of strong data. While markets chilled in Toronto and Vancouver, both cities are still on an upward trend, as are many adjacent centres. Weakness in more expensive unit types in BC suggests buyers and sellers are still adjusting to provincial policies targeting the high end of the market as of January 1, 2019.

Halfway through 2019, the data continue to point to near-term stability in most regional housing markets. Demand-supply conditions have stayed roughly balanced in most major centres and sales and prices are generally recovering from a broad-based slump in February. Of course, long-term challenges remain, but this year looks set to be a relatively steady one after multiple years of adjustment to higher interest rates and federal and provincial policy.

CONTACTS

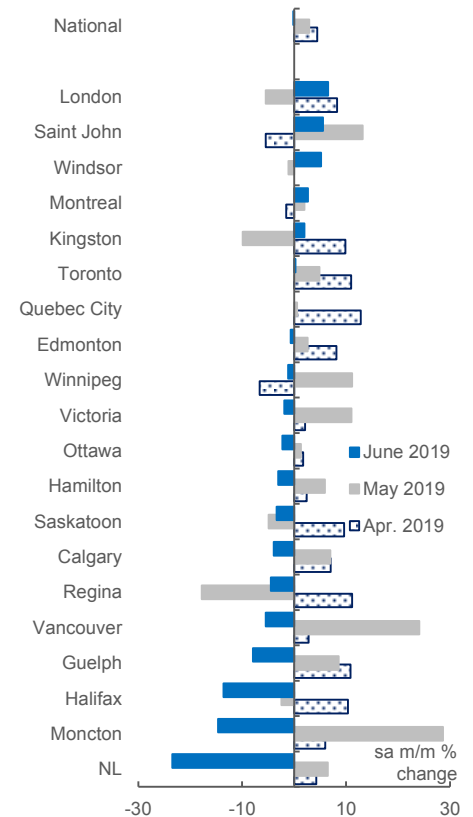
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Canada	Jun-19	May-19	Jun-19
	m/m ¹	m/m ¹	y/y
Sales (% change)	-0.2	2.9	0.3
New listings (% change)	0.8	-0.7	-4.4
Average price (% change)	1.3	2.4	2.3
MLS HPI (% change) ²	0.2	0.4	-0.3

	Jun-19	May-19	Jun-18
Sales-to-new listings ratio (level) ¹	57.1	57.7	53.3
Months inventory (level) ¹	5.0	5.1	5.5

¹ seasonally adjusted ² not seasonally adjusted

Home Sales for Select Cities



Sources for chart and table: Scotiabank Economics, CREA.

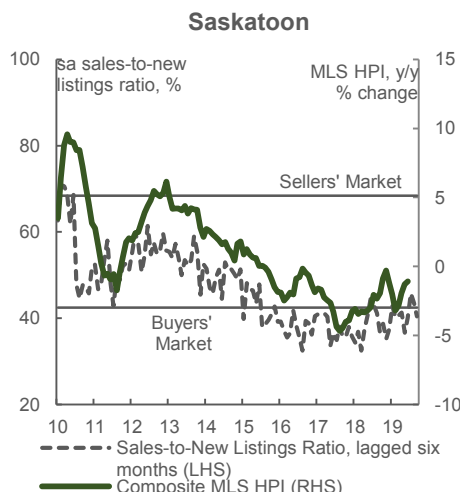
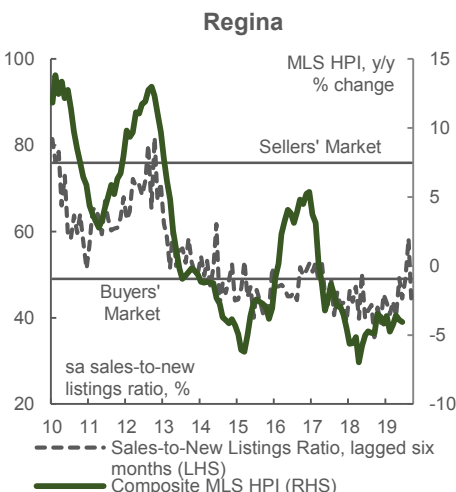
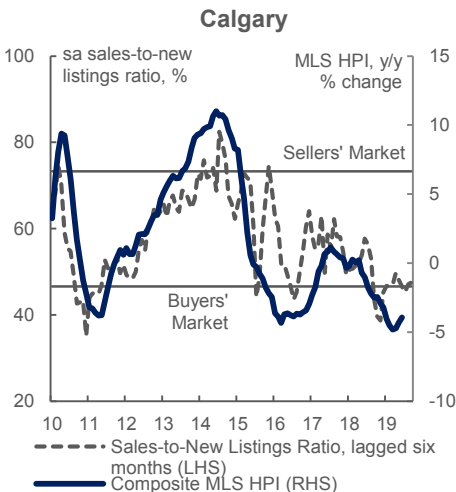
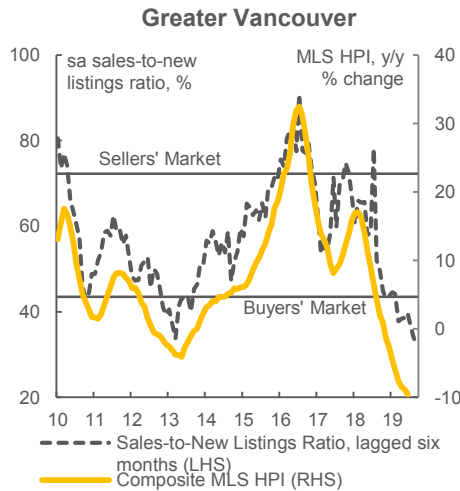
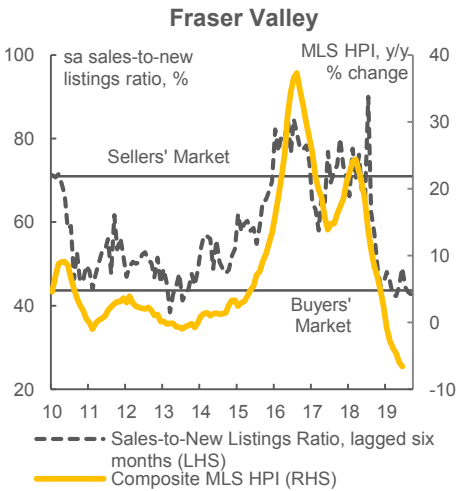
Scotiabank Housing Market Watch—June 2019

Rank ¹	Real Estate Board	Last Month Rank	Monthly Change	Sales-to-New Listings Ratio			Market Type	24-month Evolution	Unit Sales ³			Avg. Sales Prices ³			New Listings ³		
				Sales-to- Listings	New Listings Ratio	Std. Dev. from Long-Term Mean ²			Last month	Last 3 mos.	Last 12 mos.	Last month	Last 3 mos.	Last 12 mos.	Last month	Last 3 mos.	Last 12 mos.
--	National	--	--	57.1	0.3	I • I	Balanced		-0.2	0.9	-2.8	1.3	0.9	1.6	0.8	-1.6	-2.5
1	Montreal	2	↑ 1	75.4	2.6	I • I •	Sellers'		2.7	6.7	6.3	1.2	5.6	5.8	-1.4	-1.9	-3.3
2	Moncton	1	↓ 1	73.3	2.0	I • I •	Sellers'		-14.7	10.4	7.5	-1.9	3.3	5.8	-0.8	-3.3	-5.3
3	Saint John	7	↑ 4	66.2	1.8	I • I •	Sellers'		5.6	14.9	8.7	-11.4	-0.9	4.3	-7.9	-10.4	-9.7
4	London	5	↑ 1	72.0	1.4	I • I •	Sellers'		6.5	3.2	2.5	-0.7	12.4	13.7	2.7	8.0	5.9
5	Windsor	4	↓ 1	70.5	1.4	I • I •	Sellers'		5.2	7.6	4.9	0.5	13.9	14.2	2.8	15.7	9.0
6	Ottawa	3	↓ 3	71.8	1.3	I • I •	Sellers'		-2.3	1.9	1.5	2.3	6.7	5.4	1.0	-9.0	-8.4
7	Sudbury	6	↓ 1	64.0	1.1	I • I •	Sellers'		9.9	-2.5	-4.8	0.9	1.6	2.2	8.3	-12.2	-12.4
8	Brantford	16	↑ 8	71.8	0.7	I • I •	Balanced		7.0	8.9	-0.6	0.1	6.1	7.6	-10.8	13.5	9.0
9	Peterborough	13	↑ 4	64.8	0.7	I • I •	Balanced		9.9	-2.6	-1.7	1.8	5.2	6.0	1.8	2.6	6.9
10	PEI (Charlottetown)	11	↑ 1	63.2	0.6	I • I •	Balanced		-0.6	-9.0	-5.4	-0.7	7.2	5.4	3.6	-1.6	-1.2
11	KW*	15	↑ 4	69.4	0.5	I • I •	Balanced		5.5	1.0	0.9	0.3	7.2	8.1	-1.1	1.6	2.6
12	Hamilton-Burlington	12	↔ 0	68.0	0.4	I • I •	Balanced		-3.1	8.7	3.9	1.4	3.6	3.8	-1.7	2.9	-0.6
13	Kingston	9	↓ 4	55.4	0.4	I • I •	Balanced		2.0	2.5	1.4	5.5	7.2	8.8	11.9	0.3	-0.2
14	St. Catharines	17	↑ 3	59.8	0.3	I • I •	Balanced		6.2	20.7	9.6	1.1	9.9	6.8	-2.5	21.6	15.0
15	Halifax	8	↓ 7	63.7	0.3	I • I •	Balanced		-13.6	5.6	5.8	0.3	4.3	2.4	2.2	-9.0	-7.3
16	Thunder Bay	10	↓ 6	62.9	0.1	I • I •	Balanced		-6.0	-5.0	-4.7	-2.4	5.0	2.9	3.0	-2.9	-8.1
17	Victoria	19	↑ 2	62.7	0.0	I • I •	Balanced		-1.9	-6.3	-12.5	2.1	-2.5	1.9	-7.3	4.5	0.9
18	Okanagan-Mainline (Kelowna)	21	↑ 3	50.2	0.0	I • I •	Balanced		2.3	-11.9	-16.7	-2.9	-2.2	0.5	-3.1	0.0	1.9
19	Toronto	18	↓ 1	55.7	-0.1	I • I •	Balanced		0.2	8.4	4.0	1.7	2.1	2.8	2.5	0.3	-3.8
20	Guelph	14	↓ 6	64.1	-0.1	I • I •	Balanced		-7.9	7.1	4.6	-0.3	6.2	6.0	3.8	8.5	5.9
21	Quebec City	23	↑ 2	58.4	-0.3	I • I •	Balanced		0.0	11.2	9.0	0.7	1.9	2.2	-1.3	2.4	2.8
22	Lethbridge	26	↑ 4	52.2	-0.4	I • I •	Balanced		12.8	0.2	-0.2	-3.2	3.9	0.4	2.0	-2.3	1.6
23	Edmonton	25	↑ 2	53.6	-0.4	I • I •	Balanced		-0.6	-2.8	-4.6	0.2	-3.9	-2.7	-4.9	-10.0	-5.7
24	Winnipeg	22	↓ 2	54.5	-0.4	I • I •	Balanced		-1.1	3.7	-0.2	-0.4	0.9	1.3	4.7	5.7	5.2
25	Calgary	20	↓ 5	54.4	-0.4	I • I •	Balanced		-3.9	-2.1	-6.9	-0.8	-4.5	-2.9	0.9	-12.5	-8.9
26	Fraser Valley (Abbotsford)	29	↑ 3	47.2	-0.7	I • I •	Balanced		2.0	-21.7	-30.4	2.8	-6.0	-1.5	-4.3	-2.6	-3.4
27	Barrie	27	↔ 0	47.3	-0.8	I • I •	Balanced		4.7	12.0	9.7	-1.2	2.5	1.8	3.3	-0.5	4.3
28	Saskatoon	28	↔ 0	41.7	-1.1	I • I •	Buyers'		-3.3	8.0	3.4	3.9	-2.6	-1.8	3.0	-3.4	-6.5
29	Vancouver	30	↑ 1	41.1	-1.2	I • I •	Buyers'		-5.5	-24.8	-32.2	-0.4	-6.8	-3.5	-0.9	0.0	-3.1
30	NL (St. John's)	24	↓ 6	31.5	-1.2	I • I •	Buyers'		-23.5	2.6	-4.9	4.4	-3.2	-2.2	1.6	-1.4	0.4
31	Regina	31	↔ 0	45.5	-1.3	I • I •	Buyers'		-4.5	1.3	-4.1	-5.3	-1.7	-2.8	-8.2	-10.5	-9.0

¹ Ordered from most- to least-tilted towards sellers. ² A market is tilted towards sellers, and likely to witness upward pressure on prices, if its sales-to-new listings ratio greater than the long-term mean plus one standard deviation. A sales-to-new listings ratio below the long-term mean less than one deviation is considered a buyer's market and likely to see a flat or downward trend in prices over the next six months. We define the long-term average as the 1990-2018 mean. ³ Year-over-year percentage change. * Kitchener-Waterloo. Sources: Scotiabank Economics, CREA.

MLS Home Price Indices

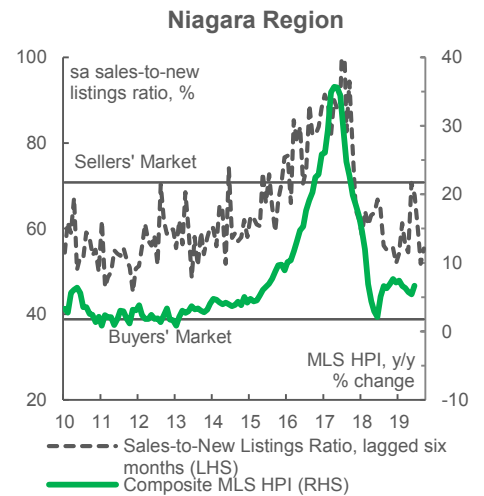
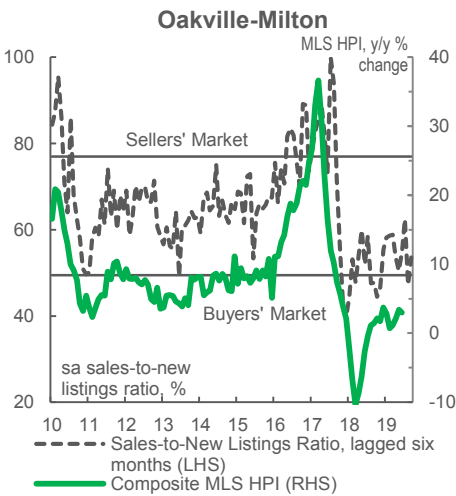
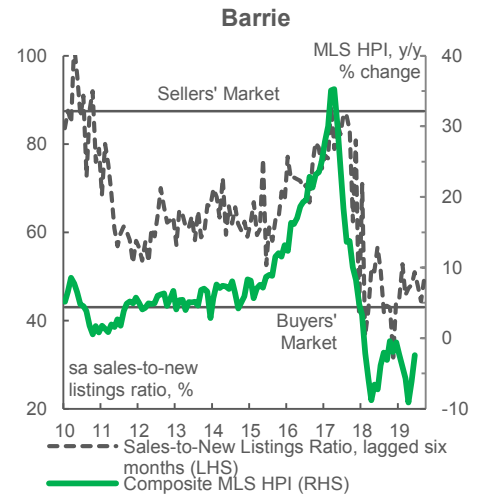
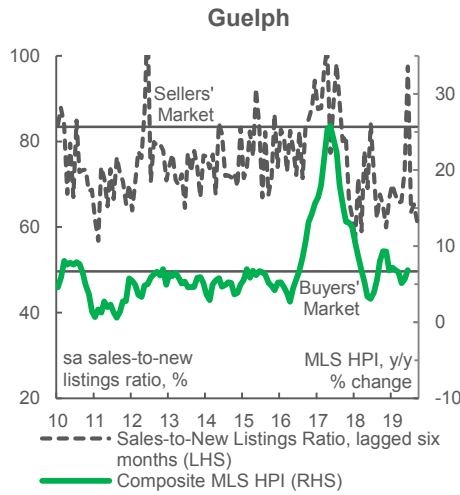
WESTERN CANADA



Sources: Scotiabank Economics, CREA.

MLS Home Price Indices (cont.)

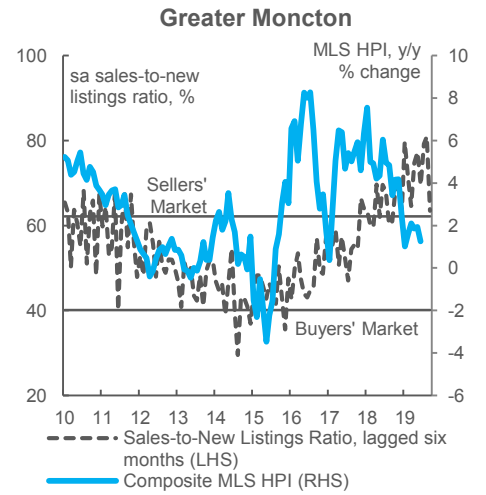
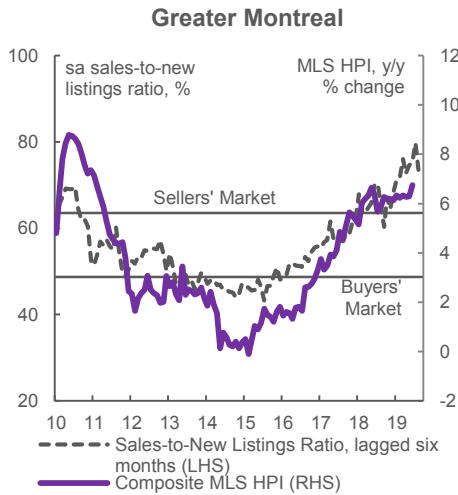
ONTARIO GREATER GOLDEN HORSESHOE



Sources: Scotiabank Economics, CREA.

MLS Home Price Indices (cont.)

OTHER



Sources: Scotiabank Economics, CREA.

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